

## Message Text

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ORIGIN EB-11

INFO OCT-01 EUR-25 EA-11 IO-14 ISO-00 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08

L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SP-03 OMB-01 SWF-02 FEA-02 AF-10 ARA-16 NEA-14 /244 R

DRAFTED BY EB:SWEINTRAUB/REBENEDICK

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EUR/RPE - MR. PREEG

----- 118250

P 220045Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY CANBERRA PRIORITY

AMEMBASSY VIENNA PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

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AMEMBASSY STOCKHOLM PRIORITY

AMEMBASSY BERN PRIORITY

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USMISSION EC BRUSSELS PRIORITY

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E.O. 11652: N/A

TAGS: EFIN, UN, EAID

SUBJECT: AID TO LDC'S. POLICY ON VARIOUS INTERNATIONAL FORUMS

REF: (A) STATE 126976; (B) STATE 120476 (C) EC BRUSSELS 4174 (D) USUN 2211

1. THIS MESSAGE IS FOR THE GUIDANCE OF RECIPIENT POSTS AND ALSO TO SERVE AS THE BASIS FOR INFORMING APPROPRIATE HOST GOVERNMENT OFFICIALS, BOTH IN THE FOREIGN AND FINANCE MINISTRIES, OF THE US POSITION WITH RESPECT TO PROCEDURES FOR ASSISTING THE MOST SERIOUSLY AFFECTED (MSA) COUNTRIES. IN ADDITION, IT SHOULD SERVE AS THE BASIS FOR DISCUSSIONS IN EC CAPITALS AND IN BRUSSELS REGARDING THE EC COUNCIL OF MINISTERS' PROPOSED CONTRIBUTION TO THE UN EMERGENCY FUND FOR THE MSA COUNTRIES. (REF C)

2. MANY OF THE ACTIVITIES NOW IN PROCESS, E. G. THE UN SYG 12 MONTH PROGRAM; THE LONGER TERM SPECIAL FUND NOW UNDER DISCUSSION BY THE UN AD HOC COMMITTEE OF 36, AND THE JOINT MINISTERIAL COMMITTEE OF THE FUND AND BANK WHEN IT INITIATES DISCUSSION, WILL BE DESIGNED TO MAXIMIZE FUNDS GOING TO THE MSA COUNTRIES VIA ALL PROGRAMS. IN ADDITION TO THIS, HOWEVER, SOME OF THE UN EFFORTS SEEM TO BE DESIGNED TOWARD INVOLVING THE

UN IN THE OPERATIONAL MANAGEMENT OF THESE FUNDS. IT IS THIS LATTER ELEMENT WHICH THE US OPPOSES. THE US WILL NOT CONTRIBUTE TO A SPECIAL FUND BOTH BECAUSE UN NOT STAFFED AND ORGANIZED FOR SUCH OPERATION AND IT WOULD TAKE TOO LONG TO GET INTO HIGH GEAR AS CONTRASTED WITH USING EXISTING AID ORGANIZATIONS. ON THE OTHER HAND THE US WILL DO ITS UTMOST TO MEET ITS FAIR SHARE OF THE TOTAL ASSISTANCE TO THE MSA COUNTRIES, BILATERALLY AND THROUGH MULTILATERAL INSTITUTIONS.

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3. IN DISCUSSING THE MSA COUNTRY NEEDS, AND LEVELS OF CONTRIBUTIONS TO THESE, THE US INTENDS TO EXPLORE THESE ISSUES IN ALL FORUMS SUITABLE FOR THIS PURPOSE. THE JOINT

MINISTERIAL COMMITTEE OF IMF AND WORLD BANK WAS AN IDEA PROPOSED ORIGINALLY BY THE LDC PARTICIPANTS IN THE COMMITTEE OF TWENTY. THE C-20 REPRESENTATIVE AGREED

THAT EXAMINATION OF THE PROBLEM OF THE MSA COUNTRIES SIMILARLY COULD BE ADVANTAGEOUSLY DISCUSSED IN THIS BODY OF LIMITED SIZE COMPOSED OF PEOPLE EXPERT IN FINANCIAL ISSUES AND WITH REPRESENTATION OF ALL RELEVANT GROUPS OF COUNTRIES. AT THE SAME TIME, THE C-20 REPRESENTATIVES WERE CONSCIOUS OF ACTIVITIES TAKING PLACE IN OTHER INTERNATIONAL BODIES CONCERNING THE MSA COUNTRIES, AND THEY MADE SPECIFIC REFERENCE TO THE NEED TO BEAR IN MIND THE REQUIREMENT FOR COORDINATING WITH THESE BODIES.

4. WE ARE ALSO PARTICIPATING IN THE VARIOUS UN ACTIVITIES ALONG THE FOREGOING LINES. WHEN THE US MAKES FUNDS AVAILABLE WHICH WE HOPE WE WILL BE ABLE TO DO, BILATERALLY AND MULTILATERALLY, THIS COULD BE ATTRIBUTED TO ANY OR ALL FORUMS, INCLUDING THE UN SPECIAL EMERGENCY PROGRAM. WE HOPE THAT THE EC WILL FOLLOW A SIMILAR PRACTICE. THEREFORE SHOULD THE EC GO AHEAD WITH A COMMUNITY CONTRIBUTION OF \$500 MILLION, WHICH APPARENTLY WILL BE DISCUSSED BY THE COUNCIL OF MINISTERS ON JUNE 25, WE URGE THAT THEY DO NOT REPEAT NOT IDENTIFY IT AS A CONTRIBUTION EXCLUSIVELY TO THE UN FUND, BUT RATHER AS A CONTRIBUTION TOWARD MEETING THE PROBLEM OF THE MSA COUNTRIES GENERALLY. THIS WOULD PERMIT EVENTUAL ATTRIBUTION THROUGH ALL FORUMS. IN ADDITION, THIS WOULD LEAVE THE COMMUNITY FREE-  
DOM TO DENIDE IN THE FUTURE WHICH FORUM OR FORUMS SEEMS MOST PRODUCTIVE. ACTION POSTS ARE REQUESTED TO MAKE THIS POINT PRIOR TO THE JUNE 25 MEETING ASKING THAT THIS FLEXIBILITY BE KEPT. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, POLICIES, COMMITTEE MEETINGS, FOREIGN ASSISTANCE, RELATIONS WITH INTERNATIONAL ORGS, FOREIGN POLICY POSITION, FINANCIAL CONTRIBUTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE134547  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** SWEINTRAUB/REBENEDICK  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740164-0097  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740622/aaaaasbd.tel  
**Line Count:** 143  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** (A) STATE 126976; (B) STATE 120476 (, C) EC BRUSSELS  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 MAR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 MAR 2002 by collinp0>; APPROVED <09 MAY 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AID TO LDC'S. POLICY ON VARIOUS INTERNATIONAL FORUMS  
**TAGS:** EFIN, EAID, UN, COMMITTEE OF 20  
**To:** CANBERRA MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005